White Paper: Making the Most of Your Menu with Menu Engineering



Introduction

Quick. Think of four words to describe a menu. Chances are stars, dogs, plowhorses and puzzles aren't on your list. But those four simple terms can mean the difference between failure or success of a restaurant. They are the basic tenets of menu engineering — the science of making a menu more profitable or popular. Or more simply put, getting the most bang — money-wise — for your duck or chicken or any other menu item.

According to numerous studies, about 1-in-4 restaurants closes or changes ownership within the first year of business. In three years, the ratio increases to 3-in-5 or a 60 percent failure rate. The restaurant business is, indeed, a tough one. Hours are long and profit margins tend to be low. Owners are at the mercy of always-rising food costs, the state of the economy and ever-changing consumer tastes. Properly engineering and designing a menu builds a base to weather such storms, as well as continually maximizing profitability. It creates a powerful menu that adds dollars to the bottom line and acts as an internal billboard.

This white paper will explore the basics of menu engineering and offer a low-cost solution to make the most of your menu.

Menu Engineering

Menu Engineering was developed by two Michigan State School of Hospitality professors — Dr. Michael Kasavana and Donald Smith — in the early 1980s. Today, their system has become widely accepted, used in restaurants across the country.

The goal of menu engineering is to maximize profits by subconsciously encouraging customers to select the menu items that make the most money and steering them away from less profitable dishes. A properly redesigned, engineered menu can improve sales an average of 2 to 10 percent, according to *Restaurants USA*. For an operation that brings in \$1 million annually, that amounts to an additional \$20,000 to \$100,000 per year. It also helps create a signature look that fits a restaurant.

The first step in menu engineering is determining the highest- and lowest-selling menu items, followed by figuring out which dishes are the most profitable. A matrix, using the following four categories, is then created to determine which items are driving sales and profitability.

Stars

Stars are menu items that not only are the most popular but also the most profitable. They are the moneymakers, so they should receive the best placement on a menu. They are often signature dishes.

Plowhorses

These are the dishes that sell well but are not highly profitable.

Puzzles

Puzzles are menu items that are the opposite of Plowhorses. They aren't popular but are highly profitable.

Dogs

Just like the name states, these menu items are "dogs" to get rid of. They are not in demand and their profit margins are minimal. These are the dishes restaurants should seriously consider deleting from the menu.

Establishing Popularity of a Dish

Determining a menu item's popularity can easily be established. Simply add up the number of items you offer and divide 1 by that sum to determine a percentage. For example, if you have 25 menu items, you would divide 1 by 25 (.04) to get average popularity. In this case, 4 percent. Any dish that represents more than 4 percent of sales would be considered popular.

Determining Profitability

Calculating the profitability of menu items is easy, as well. Subtract a dish's food cost from the menu price to get its contribution margin. Divide the sum of all the contribution margins by the number of menu items to get an average contribution margin. Anything above that number is "profitable" and a star or puzzle, depending upon its popularity.

Sample Popularity Worksheet

Dish	Percentage of Sales	Popularity
Cheese Ravioli	13%	High
Lasagna	11%	Low
Chicken Parmesan	9.75%	Low
Veal Marsala	14%	High
Fettuccine Alfredo	13%	High
Shrimp Scampi	14%	High
Cheesecake	11%	Low
Tiramisu	14.25%	High
Average Popularity		12.5%
(1/8 Menu Items = 12.5%)		

Sample Profitability Worksheet

				Profitability
Dish	Menu Price	Food Cost	Contribution Margin	Performance
Cheese Ravioli	\$10	\$4.50	\$5.50	Below Average
Lasagna	\$12.50	\$5	\$7.50	Profitable
Chicken Parmesan	\$14	\$6	\$8.00	Profitable
Veal Marsala	\$16	\$7.25	\$8.75	Profitable
Fettuccine Alfredo	\$12	\$3.10	\$8.90	Profitable
Shrimp Scampi	\$16	\$7.55	\$8.45	Profitable
Cheesecake	\$5	\$2	\$3.00	Below Average
Tiramisu	\$6	\$2.11	\$3.89	Below Average
Total			\$53.99	
Average Contribution Margin				\$6.75
(\$53.99/8 Menu Items = \$6.75)				

Sample Worksheet

Dishes	Profitability	Popularity	Classification
Cheese Ravioli	Below Average	High	Plowhorse
Lasagna	Profitable	Low	Puzzle
Chicken Parmesan	Profitable	Low	Puzzle
Veal Marsala	Profitable	High	Star
Fettuccine Alfredo	Profitable	High	Star
Shrimp Scampi	Profitable	High	Star
Cheesecake	Below Average	Low	Dog
Tiramisu	Below Average	High	Plowhorse

Solutions for Stars

High Profitability, High Popularity

- 1. They shine, so they deserve the best placement on your menu.
- 2. Keep them consistent, so your guests will continue to come back for more.
- 3. Sell more by encouraging waitstaff to offer them as table suggestions.

Solutions for Plowhorses

Low Profitability, High Popularity

- 1. The ultimate oxymoron, these dishes are always in demand but profitability is too low. Can you find a way to reduce the costs, like alternative products, without sacrificing taste or quality?
- 2. Since these dishes are popular, raising the price a bit may cover the extra costs.
- 3. Too large of a portion may be killing your profit margin. Are customers leaving a lot of these menu items on their plates? If yes, you may be serving too much. Consider reducing the portions.

Solutions for Puzzles

High Profitability, Low Popularity

- 1. The first step with Puzzles is to find out why they are not selling. Start with your customers. Get their feedback.
- 2. Is the dish too spicy? Inconsistent? Not a big enough portion? If yes, the recipes can easily be corrected and possibly turn these dishes into best sellers.
- 3. Check out where these items are placed on a menu. Do they get lost or are the descriptions boring?
- 4. Think about creating similar dishes with the same profit margin and give them a try.

Solutions for Dogs

Low Profitability, Low Popularity

- 1. If they're neither in demand or making money, consider dropping these dishes completely from your menu.
- 2. It's always a good idea to find out why these items aren't selling well, though, so as not to repeat the same mistakes in the future. Ask both customers and staff. Their answers may surprise you.



Quick Menu Tips

A menu should tell a customer what you want them to buy. The font you use, the size of print, boxes and shading are all elements that help you sell on a menu, along with the following guidelines.

Tuck your prices into paragraphs. This makes your customer read about your menu item and think less about the price.

Never use a dotted line to the price. This leads your customer right to the price and allows them to shop your menu. People will always look for the median price when price shopping your menu, driving them away from some of your most profitable items.

Don't use dollars signs. When you use a dollar sign, it equates more heavily in your customers' minds the cost of the menu item. If you don't use a dollar sign, they are less likely to focus on the price and more likely to focus on your menu item.

Don't be afraid to adjust your prices. Most customers will not remember what your price was compared to the restaurant down the street. If you offer great food and excellent service, your customers will keep coming back. Remember, a great restaurant is about the overall experience, not just the menu price.

Multi-use items. When looking over menu items, are there items a restaurant currently has on its menu that changed slightly would offer a higher perceived value? For example: Breaded Chicken Sandwich could be a "Buffalo Chicken Sandwich" simply by adding Buffalo sauce to the chicken. If a menu has shrimp, what about combining the shrimp and steak to make a Surf and Turf?

If you are pricing a menu item at \$7.25, why not get \$7.89 or \$7.95? You can even add a buck if you need to. Most customers do not see the difference in pricing.

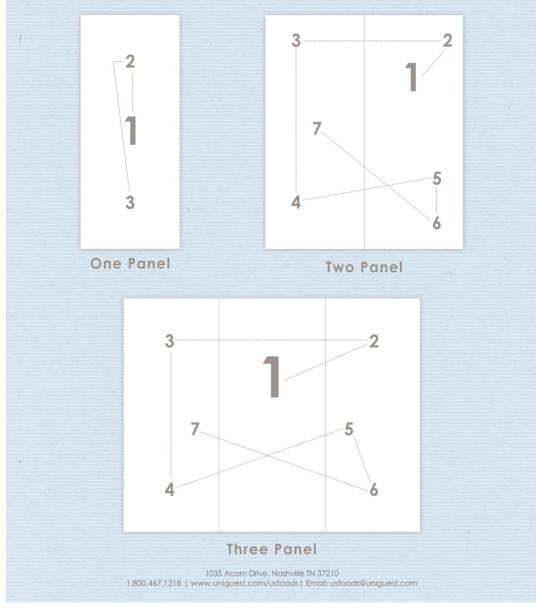


Menu Eye Flow

How your customers read your menu is important to where you place your menu items. It's also critical when it comes to highlighting profitable menu items. You need to position your best entrée items (Stars) where your customer's eye flow pattern takes them, to help you sell more items. Pop boxes should be as close as possible to where your eye flows throughout the menu



Consider eye scanning patterns for "strategic placement"





Total Menu Engineering Solutions

An important part of creating a good menu is finding a great partner. Uniquest has more than 20 years of experience in menu engineering. Our Menu Services Program offers customers a low-cost, high-end menu solution. Uniquest will custom create and print menus uniquely designed for each customer, with a look and feel his/her restaurant deserves. We utilize the philosophy of menu engineering to construct menus that not only look great and don't cost a lot but are statistically created to increase the average spend of customers to increase sales.

Quick Turnaround: Menu design proofs are ready electronically in 5-10 days, dependent upon the complexity of the menu. (*Turnaround time is for design only and does not include menu engineering.*)

Lower Cost: Compare Uniguest's prices to your favorite local printer, and we are sure you will agree we can save you money. To prove it, if you find a lower quote, show us a copy and we will beat it.

Short Runs: Because Uniguest runs digital presses, a low quantity order is just as easy and cost effective as a longer run.

Quality: Uniquest only uses state-of-the-art digital presses to ensure the highest-quality menus.

Profits: Using the philosophy of menu design, all menus are designed and engineered to improve sales, by encouraging customers to purchase certain items and discouraging others. Ask about upgrading your menu by adding the menu engineering feature with your order.

Variety: We can produce menus in almost any format: laminated, plastic, coated, folded or for use with covers, to name a few.

Sample Menu Improvements

Before

APPET ZERS	3000
DIPS	
CHILE CON QUESO	5.25
PICADILLO CON QUESO Chia ber Suess and Strains Best.	6.25
GRANDE DIP	7.25
(Chile Con Queen, Guarantole, Prox de Galle, Bearre)	
JACO BEST OF CHICKEN FALSTA	\$1.Mg
QUESOS FLAMEAD	os
SHRMP-QUESO	7.99
Mith Grilled Buby Shrimp	7.00
FAJITA QUESO With Grilled Solel or Chicken	7.99
POBLANO QUESO	7.99
With Founded Publises Propers, Steam and Onions.	
(All Quesce are Water with Most	erey Jack
Chemic	
QUESADILLAS	
BEEF & CHICKEN FAJRTA	8.25
SHRMP	6.59
SPINACH & MUSHROOMS VEGETABLE	7.49
(Made with a Large Flour Total	
Cheese, Served with a Sid Guscamole, Sour Cream and Pico	e of
Gardenia, and Charles Park	- an Garag
NACHOS	
BEAN & CHEESE	6.99
GROUND BEEF FAUTA BEEF OR CHOKENS	7.49
CHORIZO LINCITIX BIETE OK CHOKEN	6.99
VEGETARIAN(BLACK BEAMS)	6.99
PAPA LOCO (to had how bein.	WA 2-4-
Chicken Fights & Christian Grame)	7.99
per Tropped With Mines Changes & Serve	with a Siew
BOTANA GRANCE	9.99
(2)Page box, Chile on Queue, Beef o	or Chicken
Quesation (2) String District and 2 property, Served with Quacanole, S	
SHRIMP DUABLO	8.99
Secon Wrapped Jolopeto Filled Stron	
	*
SHRIMP COCKTAIL	7.99
SHRIMP COCKTAIL, Bay Shring in a Spicy Tomate Sauce, and Pool de Gallo.	7.99
Bay Strong in a Spice Tomate Sauce.	7.99

CALDOS Y ENSALAD Bright & Select	AS
CALDO DE RES	6.75
TORTILLA SOUP Bowl	5.40
TACO SALAD Clacker or Seed Surrounded by letters Turnations, Chemia, Sour Cream and I	6.90 inscarnie
FAJITA SALAD Gribed Sings of Marinaled Beef or CN Mixed Cheenes and troubses, Fisic II bed of Mixed Greens and Your Choice Decomps.	oft-on a
SHRIMP SALAD	8.39
SOUP COMBO Served with Turtifle Soup, Pico de Gal Plico, and your choice of Figits Tuco, if Quesatifits, or Salad	7.49 b, Mexican spin
CORR SALAD Mixed Lattuce, With Secon, Avocado, Chicken & Green Chichus, Bue Cheese Tomatoes.	
Available desoings: Ranch, Blue Chee Municip, Rallan, Johguno Ranch, Chip	sa, Norwy eto Ramilio
NINOS PLATES (10 and 1	Inder)
NINGS PLATES (10 and I CHOICE OF ENCHLADA, TACO, MINICHANGA OR CHEESE QUESADALIA (Sevel with Rice and Deare)	Inder) 3.49
CHOICE OF ENCHLADA, TACOURRICHANGA OR CHEESE QUESAGULA (Servel with Riss and Beams) GROLLED CHEESE	
CHOICE OF ENCHLADA, TACO, MINICHANGA OR CHEESE QUESADILLA (Sevel with fine and Beans)	1.49
CHOICE OF ENCHLADA, TACO,MINICHANGA OR CHEESE QUESADELA (SAVIEW OR MESSE SANDMOCH (Free)	149
CHOICE OF ENCHLADA, TACOJERIOCHANDA OR CHEESE QUESADELLA (SHYME VID RICK OR DEMIN) GRILLED CHEESE SANDRICH (Fried) BEAN AND CHEESE NACHOS	149
CHOICE OF ENCHLADA, TACOJENICINANDA ON CHESSE QUESACILLA (Server with fixe and beard) GARLLED CHESSE SANDWICH FINEL BEAN AND CHIESSE NACHOS FISH STICKS (Fixel)	1.0 1.0 1.0 1.0
CHOICE OF ENCHEADA, TAGO, MINICHANGA OR CHESSE QUESACALA (Novel with Rise and Burnel GRALLED CHESSE SANDWERD Freet BEAN AND CHESSE NACHOS FISHS STICKS Frien) CHECKIN FEMORES Friend CHECKIN FEMORES Friend	1.0 1.0 1.0 1.0
CHOICE OF ENCHELADA, TACOUMNICHARDA OR CREESE QUESTACHAR (INvest eth fixes and bases) GRELLEO GREESE SAADWICH (Free) BEAN AND CREESE SAACHOS FISH STICKS (Free) HAMBURGER (Free) COCKNIN TENGERS FISH) (And Saving and \$1.00)	1.0 1.0 1.0 1.0
CHOICE OF ENCHEADA, TACOUMNICHANDA OR CRESSE QUISACILA (Seved with fixe and bases) GRELLED CHESSE SACHOS FISH STICKS (Fixed) DEAN AND CHESSE SACHOS FISH STICKS (Fixed) CHOICE STICKS (Fixed) CHOICE STICKS (Fixed) (AUGUST STICKS (F	1.49 1.49 1.49 1.49 1.49 1.49 KS 1.85 1.35
CHOICE OF ENCHEADA, TACOURNICARAGA OR CHEESE OUTSTAND AND CHEESE SANDWING IF FINE BEAN AND CHEESE NACHOS FIRST STICKS Princi HAMBURGER Princi CHOCKIN TENDERS Princi (Ann. Surving and Sid Re) BEBIDAS W DRIN SIR DRINS AND CHEESE SANDWING SID	1.0 1.0 1.0 1.0 1.0 1.0 1.0

Rio Grande Cantina
ARMI ADDR HAT MILE
(has be too Regards branched property). Dies Price Comprehendente to
RO DRANCE WARRANTE DANS 415 SE STORY AND STORY
TOP BYELF BRANCARTA Druf 1.00 Sheet M Citysteenth 20 Sheet M Cityste
And Standard Funders Struct Struct S.d. S.d. S.d. Standard Standard Structure Structur
SUPPLIES AND CONTROL C
CEMENTARIA # KE COLEMER
COMMISTIC REER 1.25 BROWNING MARKET TOWN BROWNING THE BR
DAVE HOR
SUGNESS THE PROPERTY THE THE
A HOUSE WORD DRINGS
Worker Martini = 5.50 Long bland like Tax-7.55 Premium Max Martini = 16.50 Premium 42.5 Call Drinks = 5.50 Premium 4.25
WINES BY THE GLASS
Merica-4.50 Catemer Sanignos—4.50 Chardonay—4.50 Mhrty Zetonide—4.50 Sanglo—4.50
ASSESSMENT OF THE PARTY OF THE

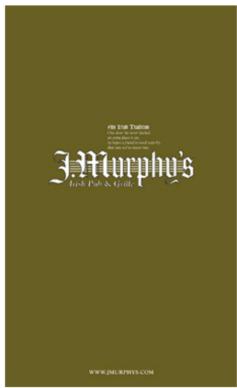
After



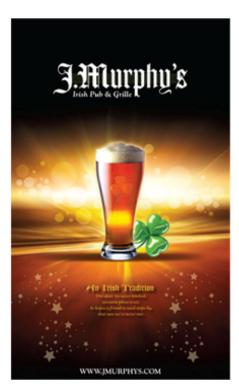




Before



After



" Y. Murpho's Sandwiches & Coraps Dubliner Philly Unifed memoral ductors mechanic with priled masses, papers, malescane is topped with memora pair clause on a desired, Wagner to desire to the control of th Chicken Caesar Classic Wrap Soundough BLT The tradetional BLT layered with modes? house, cheditor is. O'Murphy's Tuna Melt French Dig has wader bud gelfed with melad Streech haspe of the a og of reje. Ham O'Cherne That yaled has seved with checkle chance Triple Grilled Cheese Critical assessment with our most of assessed do * Yest Burgers & Fool The Pulls* 10 to the lost, generals a rate of name. 11 Cheese Bargar Cheese* 12 and Black Moon Bargar Cheese* 13 and Black Moon Bargar Cheese* 14 and Black Moon Bargar Cheese* 15 and Black Moon Bargar Cheese* 15 and Black Moon Bargar Cheese* Just Bacon & Cheese Burger* Jas Jack Burger* Colled paper, mins in money/page The Ranch Burger* Other store, malescen is Swin. Self-store, malescen is Swin. The Patry Mele** 2 yas Queso Burger* 8 hope but year anothered with pitted onese is clother Root, our cross, pisperse, is also. Strak and Chops Grilled Pork Chop 11390 Murphy's Ribeye (Wel 1570 1550) The name of pil-day grilled to protection. A like dears they fine helded to your temperature. Country Fried Steak 12.00 Bacon Wingsped Filet (Not 10.00 17.00 As I be have depel country find mak with maked present. On the file support with pay bacon. Steak Tips (Max 1079) 13-99 July and up boild's year bling.





Before



Sandwiches Mesquite Chicken A seasoned grilled chicken breast with mayonnaise, lettuce & tomato 5.75 d Warm & Cheese on & course on a clabatta broad

After



Before

Los Lupes

In the Spring of 1972, Los Lupes Cafeteria opened its doors on the corner of Industrial and Cole. Los Lupes brings traditional Mexican food to Dallas. Authentic Mexican food is a lost concept field by few restaurants today because it is so difficult to prepare. The recipes used today have been passed down from our ancestors through three generations. In all three generations, there was a child named "Lupe". Hence, the "Los Lupes" (namy Lupes). For over 30 years, Los Lupes has remained family owned and operated. The same methods and concepts begun then are used even today. One of these original concepts is the "All You Can Eat" Mexican Buffet. This original idea is often imitated, but in our eyes, never duplicated. Unlike large restaurant chains that prepare massive quantities of frozen food to serve during the week, Los Lupes' kitchen opens at Sa,m. and prepares everything from "scratch" every day to ensure the freshest quality for our customers.

Los Lupes will continue to serve freshly prepared meals for many years to come. We thank you for the opportunity to provide a Great Dining Experience.

The Ramirez Family

Authentic Mexican Food Prepared Fresh Daily From Traditional Recipes

Take-out Available

		ALS

10:30 a.m. - 3:00 p.m. + Monday - Friday + We Substitutions Los Capes J. <u>ONLY</u> 10:30 - 3:00 RM. Saturday

41	BUFFET ALL-U-CAN-EAT	- 55.91
	Chance Statistics, rice, bears, lead lips, only become challen become bearing the big.	
42	ONE SOFT CHEESE TACO	- \$4.91
	Second with two and beare.	
43	TWO CHEESE AND ONION ENCHILADAS	_ \$5.90
	Sproad with tion and beave.	
44	TWO BEEF ENCHILADAS	- \$5.9
	Seneciath ios and team.	
45	TWO SOUR CREAM CHICKEN ENCHILADAS	\$5.9
	Served with rose and Seems.	
44	ONE CHEESE AND ONION ENCHILADA AND ONE CRISPY BEEF TACO	94.9
	Second with the and literature.	
42	. TWO CRISPY BEEF OR CHICKEN TACOS	99.9
	Served with two and begins.	
44	I. FLAUTA LUNCH SPECIAL	- 17.2
	Sec faces choles or bed smed with his, been, purpose and not more men.	
49	FAJITA LUNCH SPECIAL	10.0
	Species poet a shorter lighte served with characterists, guestarrole, now cream, and departs and fine limited	

BEBIDAS (Beverages)

Stills Reg. - \$1.75 Lg. \$2.50 (No. Bullio) - Jusce Reg. \$1.75 Lg. \$2.50 (No. Bullio) - Caller \$2.00 - Tex \$2.50 - Bull Details - \$2.50 - Child's Detail (12 & Unite) \$1.50

WELLS + WINE - BEER + MARGARITAN Refer To Bac Mone

IN 17th protein will be abbet/or portion of the more.)
NO CHECKS ACCEPTED

ONLINES LOSANDO DELEVERO DELLEGA DELLEGA LOSANDO DELLEGA DEL CONTROLO DELLEGA DEL CONTROLO DEL C

After

